GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Senior Deputy Director/Medicaid Director **Transmittal # 19-16**

TO: District of Columbia Federally Qualified Health Center (FQHC) Providers

FROM: Melisa Byrd MB
Senior Deputy Director/State Medicaid Director

DATE: July 3, 2019

SUBJECT: **UPDATE: FQHC Performance Payment Program Provider Aggregation**

The purpose of this Transmittal is to provide an update on the District of Columbia (DC) FQHC Pay-for-Performance (P4P) Program as outlined in the "Medicaid Reimbursement of Federally Qualified Health Centers (FQHC) Notice of Final Rulemaking," published on February 2, 2018, in the DC Register at 65 DCR 000907 and codified in Chapter 45 (Medicaid Reimbursement for Federally Qualified Health Centers) of Title 29 (Public Welfare) of the District of Columbia Municipal Regulations. DHCF previously released guidance to FQHC providers on July 24, 2018, via Transmittal 18-21, "Update: FQHC Mandatory Performance Measures Reporting Requirements."

Background: The FQHC Performance Measurement Guide outlines the option whereby FQHCs may opt to aggregate their beneficiary population with another FQHC's for the purposes of calculating attainment of a performance measure or improvement on any of the required measures. Aggregation across FQHCs allows both providers to increase their total pool of attributed patients. FQHCs may also aggregate to take advantage of each other's various quality improvement activities, which may impact performance on these measures. FQHCs opting to aggregate their populations must do so for calculation of all measures during a Baseline Year (BY) or Measurement Year (MY). The BY was fiscal year (FY) 2018, and the first MY is FY19. An FQHC may elect the option to aggregate annually and may change their selection, including opting against pooling or opting to pool with a different FQHC, on an annual basis. Each FQHC must notify DHCF of their selection of the aggregation option annually by no later than September 1st, prior to the start of the BY or new MY.

Issue: It is possible for an FQHC provider to have very few patients in its denominator for one or more clinical performance measures. However, per NCQA guidelines, there must be a denominator greater than or equal to 30 to calculate a valid rate as well as quality benchmarks, including the 75th percentile attainment threshold and a statistically significant improvement threshold.

Updates: To incentivize FQHCs to aggregate their patient populations to avoid a situation where there is less than 30 in the denominator for any clinical performance measures (not including

pass/fail performance measures), DHCF will implement the following changes, applicable starting in the Baseline Year (FY 2018) and going forward:

Update 1: In all years, if an FQHC provider has a denominator less than 30 for any clinical measure (measures 3 through 7), DHCF will not calculate a rate for that measure. That provider will also be excluded from the calculation of the 75th percentile benchmark attainment threshold, and no improvement threshold will be calculated for that measure.

Update 2: In MY1 only, DHCF will hold harmless FQHCs identified with small denominators on certain measures by awarding full points for each measure excluded due to a small denominator *as if* the FQHC had met or exceeded the attainment or improvement threshold.

Update 3: Starting in MY2 and beyond, for each measure excluded due to a small denominator, DHCF will not award points. Instead, DHCF will redistribute the points from the excluded measure(s) evenly across all other clinical measures within the domain, per the Scoring Methodology outlined in the FQHC Performance Measurement Guide.

If no other measures exist in a given domain, then DHCF will redistribute the points from the excluded measure(s) evenly across all remaining clinical measures in other domains.

If all clinical measures have a denominator less than 30, DHCF will allocate 0 points for those measures.

DHCF encourages FQHC providers to regularly monitor their performance on all performance measures and proactively identify if they are at risk for their denominator falling below 30 on any measures. In such cases, the provider aggregation option may alleviate the risk of exclusion as well as offer opportunities to maximize quality improvements across providers. Note that any election of aggregation must be made to DHCF before September 1st annually.

If you have any questions regarding this transmittal, please contact Abby Kahn, Compliance Officer, Division of Quality and Health Outcomes, via telephone at (202) 442-4650, or email at abigail.kahn@dc.gov.

cc: Medical Society of the District of Columbia
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Care Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers